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A Preliminary Appraisal of the Needs for and Means of Obtaining the Necessary College Facilities at a Minimal Cost to the Taxpayer.

San Joaquin Delta Coll., Stockton, Calif.
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San Joaquin Delta College (California), planning on an enrollment increase of more than 10% annually, has estimated its minimum facility needs for an enrollment of approximately 7500 students by 1972. The gross cost per square foot is expected to be $25.00 for general construction and $38.50 for special construction. For an estimated total of 753,541 square feet, the total cost would come to $19,681,000, to be raised by bond issue. Site development, equipment, fees, and a reserve fund would bring the total to $27,850,000. The tax rate to liquidate the bond issue over 25 years would average 11.2¢ (never rising above 11.9¢). For two years after passage of the bond issue (1970-72), an average tax rate of 12.2¢ would have to be levied to lease facilities while the new campus was being built, with an average rate of 11.8 for bond interest and redemption. Beginning with 1972-73, however, when the college moves to the new campus, the tax rate for such facilities would average 11.2¢, an increase over the 1968-69 rate of only 1.3¢. This average rate of 11.2¢ from 1972-73 contrasts with the increasing rate to lease temporary facilities, which will have risen by that year to 13.5¢. Tax rate tables are appended. (HH)

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

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A PRELIMINARY APPRAISAL OF THE NEEDS FOR AND MEANS OF OBTAINING THE NECESSARY COLLEGE FACILITIES AT A MINIMAL COST TO THE TAXPAYER

ED025258

A REPORT MADE TO THE BOARD OF TRUSTEES
AT THE MEETING OF
OCTOBER 15, 1968

ED025258

JC 680 493

Julio L. Bortolazzo, President and Superintendent
San Joaquin Delta Junior College District
3301 Kensington Way
Stockton, California 95204

Office of the President and Superintendent
San Joaquin Delta College

October 15, 1968

TO: Members of the Board of Trustees

FROM: Julio L. Bortolazzo, President and Superintendent

A PRELIMINARY APPRAISAL OF THE NEEDS FOR AND MEANS OF OBTAINING THE NECESSARY COLLEGE FACILITIES AT A MINIMAL COST TO THE TAXPAYER

Attached is a preliminary appraisal of the needs for and means of obtaining the necessary college facilities at a minimal cost to the taxpayer.

RECOMMENDATION:

The complete financial report will be presented to the Board of Trustees at the meeting on November 12, 1968. No action by the Board is recommended at this time.

San Joaquin Delta College
October 9, 1968

A PRELIMINARY APPRAISAL OF THE NEEDS FOR AND MEANS OF OBTAINING THE NECESSARY COLLEGE FACILITIES AT A MINIMAL COST TO THE TAXPAYER.

San Joaquin Delta College enrolled over 5,400 day students this fall, an increase of 14.3% over the corresponding figure for 1967. While this rate of increase may be unusual, an annual rate of increase of only 10% will mean over 7,500 day students in the fall of 1972; 7% will mean the fall of 1973. It is therefore apparent that decisions must be made now relative to physical facilities to to handle these students. Decisions made now, can, if all goes well, be translated into permanent physical facilities by the fall of 1972. Any delay in decision means a corresponding delay in completion of facilities. Four years to plan, advertise, award contracts, construct, inspect, and accept physical facilities of the magnitude being considered here is, in fact, optimistic.

The faculty and staff have estimated, using the junior college space and utilization standards furnished by the State as a guide, that the following are the minimum adequate facilities required for 7,500 students on a new campus:

	Gross Square Feet
Mathematics & Engineering	19,786
Biological & Physical Sciences	51,638
Communications (Incl. Reading & Writing Labs)	33,465

	Gross Square Feet
Business	29,016
Social Science	19,065
Health Sciences	21,125
ysical Education	79,206
rts & Letters	40,680
Technical, Industrial (Incl. Agriculture)	135,360
Library (Incl. Branches)	101,513
Forum	11,664
Tutorial Centers	9,000
Cafeteria and Student Centers	90,425
Administration	11,288
Student Personnel (Incl. Registrar)	10,425
Warehouse & Maintenance	27,504
Sub-Total:	691,160
Performing Arts Complex [Auditorium (1,500 seat) Little Theater (425 seat) Drama teaching facilities]	62,381
TOTAL:	753,541

Cost per gross square foot for construction including fixed equipment (lab tables, millwork, etc.) for large jobs going to bid in 1970 are estimated at $25.00 for general construction and $38.50 for auditoriums, theaters, etc. The net cost of construction can be estimated as follows:

691,160	x	$25.00	=	$17,279,000
62,381	x	$38.50	=	2,402,000
		TOTAL	=	$19,681,000

Based on experience factors, an approximate construction budget can be developed:

Cost of buildings including fixed equipment	$19,681,000
Cost of site development including utilities, storm & sanitary sewers, Physical Education fields, paving and lighting of parking lots, and landscaping. [13.4% of project]	3,932,000
Movable equipment needed in addition to that acquired by lease-purchase [3.6%]	1,000,000
Fees (Architects, inspectors, state office, engineers, etc.) [8%]	2,228,000
Prudent reserve [3.6%]	1,009,000
TOTAL	$27,850,000

Capital reserve on hand	$5,000,000	
Estimated outside assistance: Jr. College Const. Act of 1967 (State)	$2,000,000	
Federal Aid	$1,000,000	
TOTAL	$8,000,000	
Needed to be raised by bond issue:		$19,850,000

This figure can be compared to the $22,794,000 bond issue submitted the electorate in 1966.

Attached to this paper as Enclosure [1] is a schedule based on a bond issue totaling $19,850,000 repaid over a 25 year period. It will be noted on the first page that the tax rate required in any given year for bond interest and redemption, never exceeds 11.9¢.

State Law (Education Code, Section 25541.5) permits the District to continue to levy a tax for leasing facilities three years after successful passage of a bond issue. It will also be noted that the present (1968-69) tax rate for leasing facilities is 9.9¢. If the bond issue is passed in 1968-69, there will be two years (1970-71, 1971-72) during which the taxpayer will be paying an average rate of 12.2¢ for leasing facilities for the growing college during construction of the new permanent campus plus an average of 11.8¢ for bond interest and redemption. <u>However, beginning in 1972-73, the year the college moves into the new campus, the taxpayer will find himself paying only an average of 1.3¢ more than he is paying in 1968-69 for junior college facilities</u>. Enclosure [2] shows the increase in taxes per month and per year for homes of a variety of values.

The alternative to a successful bond election is to continue to make the best of an increasingly bad situation on the Kensington Way campus. Enclosure [3] indicates that in such an event it will be necessary to increase the tax rate for leasing facilities progressively over the years and that the tax rate by 1972-73 will

have reached 13.5¢ which is 1.9¢ more than the tax rate for facilities in that year had the bond issue passed. Enclosure [4] indicates what this difference means in terms of taxes not levied in 1972-73 per year for homes of a variety of values.

The contrast emphasizes the soundness of issuing bonds to construct a permanent campus. A tax rate of 11.9¢ or less from 1972-73 will pay for a permanent district owned facility while an increasing tax rate beginning at 13.5¢ in 1972-73 will provide only makeshift and crowded facilities in which the district is accumulating no equity.

To Summarize: The provision of adequate facilities on the Pacific Avenue campus by the fall of 1972 indicates a bond issue in the immediate future of $19,850,000. (This figure contrasts with the $22,794,000 bond issue submitted in 1966.) The tax rate to liquidate the $19,850,000 bond issue over 25 years would average 11.2¢ and would never rise above 11.9¢. For two years after passage of the bond issue (1970-71, 1971-72) an average tax rate of 12.2¢ would need to be levied to lease facilities for the college while the new permanent campus was being constructed and an average rate of 11.8¢ for bond interest and redemption. However, beginning with 1972-73, the year the college moves to the new campus, the tax rate

for the provision of junior college facilities would be an average of 11.2¢, an increase over the 1968-69 rate of only 1.3¢. This average rate of 11.2¢ from 1972-73 contrasts with the increasing rate to lease temporary facilities which will have risen by that year to 13.5¢.

SAN JOAQUIN DELTA JUNIOR COLLEGE DISTRICT
Tentative Bonding Program

Amount of Issue: $19,850,000
To Be Sold: $ 9,925,000 (7/1 to 8/20 - 1970) Series A
$ 9,925,000 (7/1 to 8/20 - 1971) Series B

Each Series 25 years Estimated Interest Rate 4½%

Estimates based upon 95% of Secured Assessed Valuation and Growth of 4% each year

Unsecured Valuation used 1970-71 Fiscal Year

SERIES A

FISCAL YEAR	BONDS	INTEREST	TAX RATE Series A	TAX RATE Series B	TAX RATE Total
1970-71			11.9¢		11.9¢
1971-72	$ 400,000	$660,938	5.7	6.0¢	11.7
1972-73	50,000	427,501	5.8	5.8	11.6
1973-74	50,000	425,251	5.9	5.8	11.7
1974-75	75,000	422,438	5.9	5.9	11.8
1975-76	100,000	418,500	5.9	5.9	11.8
1976-77	125,000	413,438	5.9	5.9	11.8
1977-78	150,000	407,251	5.9	5.9	11.8
1978-79	175,000	399,938	5.9	5.9	11.8
1979-80	200,000	391,500	5.8	5.8	11.6
1980-81	225,000	381,938	5.7	5.7	11.4
1981-82	250,000	371,251	5.6	5.7	11.3
1982-83	275,000	359,438	5.5	5.6	11.1
1983-84	300,000	346,500	5.4	5.5	10.9
1984-85	325,000	332,438	5.5	5.6	11.1
1985-86	375,000	316,688	5.5	5.6	11.1
1986-87	425,000	298,688	5.6	5.6	11.2
1987-88	475,000	278,438	5.5	5.6	11.1
1988-89	525,000	255,938	5.5	5.6	11.1
1989-90	575,000	231,188	5.5	5.6	11.1
1990-91	625,000	204,188	5.4	5.7	11.1
1991-92	675,000	174,938	5.5	5.7	11.2
1992-93	750,000	142,875	5.6	5.7	11.3
1993-94	850,000	106,875	5.9	5.9	11.8
1994-95	975,000	65,813	5.4	5.7	11.1
1995-96	975,000	21,938		5.2	5.2
TOTAL	$9,925,000	AVERAGE TAX RATE			11.2¢

ENCLOSURE (1)
B.W.B.
10/9/68

SAN JOAQUIN DELTA JUNIOR COLLEGE DISTRICT
Tentative Bonding Program

SERIES B

FISCAL YEAR	BONDS	INTEREST	TAX RATE Series B
1971-72			6.0
1972-73		$669,938	5.8
1973-74	$ 25,000	446,063	5.8
1974-75	50,000	444,375	5.9
1975-76	75,000	441,563	5.9
1976-77	100,000	437,626	5.9
1977-78	125,000	432,563	5.9
1978-79	150,000	426,375	5.9
1979-80	175,000	419,062	5.8
1980-81	200,000	410,625	5.7
1981-82	225,000	401,063	5.7
1982-83	250,000	390,375	5.6
1983-84	275,000	378,563	5.5
1984-85	300,000	365,626	5.6
1985-86	350,000	351,001	5.6
1986-87	400,000	334,126	5.6
1987-88	450,000	315,001	5.6
1988-89	500,000	293,626	5.6
1989-90	550,000	270,001	5.6
1990-91	600,000	244,126	5.7
1991-92	675,000	215,438	5.7
1992-93	750,000	183,375	5.7
1993-94	825,000	147,938	5.9
1994-95	925,000	108,563	5.7
1995-96	975,000	65,813	5.2
1996-97	975,000	21,938	
TOTAL	$9,925,000		

ENCLOSURE (1)
B. W. B.
10/9/68

San Joaquin Delta College

PRESENT (1968-69) LEASING COSTS

COMPARED WITH COST OF A BOND ISSUE

	TAX RATE On $100 Assessed Valuation
Tentative Bond Retirement Plus Interest (Average)	11.2¢
Present Lease Tax (1968-69)	9.9¢
Estimated Tax Increase (Bond Funds to Replace Leasing Costs)	1.3¢

Added Cost to the Owner of a Home

Home Value	Assessed Valuation (25%)	Added Cost of Bonds Over Leases
$10,000.00 Home	$ 2,500.00	$ .33 per year or 2.7¢ per month
$15,000.00 Home	$ 3,750.00	$ .49 per year or 4.1¢ per month
$20,000.00 Home	$ 5,000.00	$ .65 per year or 5.4¢ per month
$25,000.00 Home	$ 6,250.00	$ .81 per year or 6.8¢ per month
$30,000.00 Home	$ 7,500.00	$ .98 per year or 8.1¢ per month
$35,000.00 Home	$ 8,750.00	$1.14 per year or 9.5¢ per month
$40,000.00 Home	$10,000.00	$1.30 per year or 10.8¢ per month
$45,000.00 Home	$11,250.00	$1.46 per year or 12.2¢ per month
$50,000.00 Home	$12,500.00	$1.63 per year or 13.5¢ per month
$55,000.00 Home	$13,750.00	$1.79 per year or 14.9¢ per month
$60,000.00 Home	$15,000.00	$1.95 per year or 16.2¢ per month
$65,000.00 Home	$16,250.00	$2.11 per year or 17.6¢ per month
$70,000.00 Home	$17,500.00	$2.28 per year or 19.0¢ per month
$75,000.00 Home	$18,750.00	$2.44 per year or 20.3¢ per month
$80,000.00 Home	$20,000.00	$2.60 per year or 21.7¢ per month

ENCLOSURE (2)
10/9/68

	1968-69		1969-70	
	Estimated Expenditures	Beginning Balance & Ending Balance	Estimated Expenditures	Beginning Balance & Ending Balance
Stockton Unified School District Lease and Lease of Portable Buildings	$429,138.06		$589,842.60	
Other Facilities	14,635.00		17,000.00	
Stockton Unified School District Lease of Furniture and Equipment	18,000.00		18,000.00	
Lease with Xerox, IBM, Pitney Bowes, and 3-M Corporation	90,300.00		105,000.00	
Lease-Purchase of Furniture and Equipment for Portables and Growth	19,113.39		37,868.97	
Beginning Balance		$ 166,785.00		$ 297,999.35
Tax for Lease Agreements Education Code Section 25541.5 Based on 96% Collection of Taxes		702,400.80		756,383.51
Total Budgeted for Year		869,185.80		1,054,382.86
Total Estimated Expenditures		-571,186.45		-767,711.57
ENDING BALANCE		$ 297,999.35		$ 286,671.29

9.91 TAX RATE

10.2 TAX RATE

	1970-71		1971-72		1972-73	
	Estimated Expenditures	Beginning Balance & Ending Balance	Estimated Expenditures	Beginning Balance & Ending Balance	Estimated Expenditures	Beginning Balance & Ending Balance
	$765,644.30		$ 887,375.00		$946,827.50	
	18,500.00		20,000.00		20,000.00	
	16,000.00		16,000.00		16,000.00	
	108,000.00		116,336.58		120,000.00	
	57,464.98		68,088.00		73,535.04	
35		$ 286,671.29		$ 238,807.33		$ 125,566.04
51		917,745.32		994,558.29		1,126,096.64
86		1,204,416.61		1,233,365.62		1,251,662.68
57		-965,609.28		-1,107,799.58		-1,176,362.54
29		$ 238,807.33		$ 125,566.04		$ 75,300.14

11.9 TAX RATE

12.4 TAX RATE

13.5 TAX RATE

ENCLOSURE (3)

San Joaquin Delta College

LEASING COSTS, TAX YEAR 1972-73

COMPARED WITH BOND ISSUE COSTS, TAX YEAR 1972-73

	TAX RATE On $100 Assessed Valuation
Estimated Leasing Tax, 1972-73 (If bond issue fails)	13.5¢
Tentative Bond Retirement Plus Interest, 1972-73	11.6¢
Net Tax Reduction, Bonds over Leasing	1.9¢

Savings to the Owner of a Home

Home Value	Assessed Valuation (25%)	Savings, Bonds over Leases
$10,000.00 Home	$ 2,500.00	$ .48 per year or 4.0¢ per month
$15,000.00 Home	$ 3,750.00	$ .71 per year or 5.9¢ per month
$20,000.00 Home	$ 5,000.00	$ .95 per year or 7.9¢ per month
$25,000.00 Home	$ 6,250.00	$1.19 per year or 9.9¢ per month
$30,000.00 Home	$ 7,500.00	$1.43 per year or 11.9¢ per month
$35,000.00 Home	$ 8,750.00	$1.67 per year or 13.9¢ per month
$40,000.00 Home	$10,000.00	$1.90 per year or 15.8¢ per month
$45,000.00 Home	$11,250.00	$2.14 per year or 17.8¢ per month
$50,000.00 Home	$12,500.00	$2.38 per year or 19.8¢ per month
$55,000.00 Home	$13,750.00	$2.61 per year or 21.7¢ per month
$60,000.00 Home	$15,000.00	$2.85 per year or 23.7¢ per month
$65,000.00 Home	$16,250.00	$3.09 per year or 25.7¢ per month
$70,000.00 Home	$17,500.00	$3.33 per year or 27.7¢ per month
$75,000.00 Home	$18,750.00	$3.56 per year or 29.7¢ per month
$80,000.00 Home	$20,000.00	$3.80 per year or 31.7¢ per month

ENCLOSURE (4)
10/9/68